

TRANSCRIPT

3 steps to successful mobile and social integration

*Podcast interview with Erik Qualman, motivational speaker and best-selling author of the book *Socialnomics*; and Leigh Minnier, member of the Kimco Realty blogging team*

Leigh: Hello everyone. My name is Leigh Minnier and I'm part of Kimco Realty's blogging team. Today we are here with Erik Qualman, a motivational speaker that has spoken in 44 countries. He is also the author of the best-selling book, *Socialnomics, how social media transforms the way we live and do business*. His Socialnomics work has been featured in major media, and used by the National Guard and NASA among, others. His new book, *What Happens in Vegas Stays on YouTube*, explores how businesses and consumers should manage their digital footprints. Last month, Erik was a keynote speaker at the International Council of Shopping Centers' MOCIAL Conference, where he presented on how shopping center professionals can use mobile, social, Big Data, and the cloud to drive, traffic, market a shopping center, and develop customer relationships. Welcome to the show, Erik.

Erik: Oh it's great to be here.

Leigh: So why don't you tell us a little bit about yourself? How did you initially get involved in the world of digital marketing?

Erik: You know it goes back many moons. I was actually working for Cadillac as an intern, and if you can believe it, at the time email was kind of a new thing and part of my job as an intern was to print out memos and hand them on people's chairs and highlight them in yellow and also send them through a thing called "interoffice mail" – the envelope that had the little red string on it. But then one day, I said, "Why don't I figure out, can I use an attachment in email and I'll be able to figure that out." Sounds crazy now to think about that. But that's my first introduction. I was almost fired for doing that that day, for doing something different. But then all the sudden we needed a Cadillac.com website, when websites were brand new, and since I was young and an intern, they gave me the job. And I've loved it ever since. So I've been able to see the whole progression from websites to portals, ecommerce, to search, and to now social mobile.

Leigh: And how do you define *socialnomics*?

Erik: You know at a 10-second level, all socialnomics is very basic, very simple, it's just word of mouth on digital steroids. Or, if you're trying to go global, instead of word of mouth, it's now world of mouth.

Leigh: **It's said that your book, Socialnomics, is essential for anyone who wants to understand the implications of social media on our daily lives, and how businesses can tap the power of social media to increase their sales, cut their marketing costs, and reach consumers directly. What was it that inspired you to write this book?**

Erik: You know, I just saw that social media was going to be the next big thing and the more I talked about it, the less people thought that was the case. At the time when I saw it, everyone thought it was just for teenagers, and so the reason I wrote the book was I just wanted to let everyone know, look this thing is coming. This wave is going to be huge and we're just at the beginning – the first mile of a marathon. So I wanted to make sure everyone knew how big this would be for politics, for business, for personal life, and so that's why I wrote the book, and fortunately, much of what's in the book became true. Some things were a little off, but most became true today.

Leigh: **And what do you think is the most important takeaway for retailers on harnessing the power of social media?**

Erik: I think the most important thing for retailers or anyone is to understand that this has less to do with technology and everything to do with relationships. And that's why I get real excited about it. Yeah I'm a tech guy. But really what gets me super fascinated and very fired up on social media is that it's all about the relationship; whether it's a relationship between you and a friend, or whether that's a relationship between you and a customer, client, or a prospect. I think that's where most people get it wrong. It's stuff that's very complex in its simplicity, meaning that relationships are difficult, they take hard work, and that's really what you need to do when it comes to social. That's the best thing that a retailer can think of is: Okay, if I'm going into a relationship, whether it's with a current client or a prospect, how would I like to be treated? Whether it's digitally or whether it's in a face-to-face conversation and as long as you do that, you're going to have success.

Leigh: **Can you share any particular tips with us on how retail real estate professionals or tenants can use mobile social and/or Big Data to achieve success?**

Erik: Yeah, I mean the tenets I like to share at a high level are: listen, interact, react, and then share. So it's really about listening. What does the customer or client or prospect want? What are they looking for? What are they talking about? What's their need?

Then the second thing is interact. Actually join that conversation online. So a lot of people ask me, "Hey someone posted this out here and they're a potential prospect or client. They didn't direct it to me specifically but I can I help and answer that?" I say, "By all means!" That's why they're posting it in a public forum. So, that's the second thing is to interact.

The third one is to react. So if you start to hear from your prospects or clients that 80 percent love something you're doing, how do you start to do more of that today? Or if 90 percent don't like something you're doing, how do you stop doing that?

And then last but not least is really to make sure that once you have it, share public knowledge of this information with everybody else. Most of us tend to think that's trying to sell right away, because it's in our DNA to try to sell, promote ourselves, promote our services, promote our products, but that doesn't work digitally. And the reason that doesn't work digitally is because that also doesn't work in the offline world. If you think about going to a cocktail party and imagine there's a conversation of about 10 people, that you don't know, and they're having a good time and laughing, and you walk up and say, "Excuse me, can I tell you why I'm great for the next 10 minutes?" That's not going to work out so well. If it doesn't work in the offline world, it doesn't work in the digital world. So it's really all about listening, interacting, reacting, and then sharing.

Leigh: **Do you have any specific tips on perhaps negative comments that might come toward a customer and how they might be able to react to that?**

Erik: Oh yeah! I love this question. I really get into this because obviously with some of the products and services that I do, specifically books, there's always going to be positive and also negative reviews. Fortunately for me, most are positive, but obviously sometimes I get a negative review. So, I actually deal with this space on a daily basis, as well.

Negative comments actually are a good thing. Good companies and good people understand that negative comments, for the most part, are good, because they're going to tell you what you need to improve. So think about if you have two friends, one that's sort of polite and one that's say a little more aggressive, and you have a huge giant black poppy seed in your teeth and you're about to go on that job interview or on that first date. Well, the polite friend's not going to tell you anything. But the aggressive friend will say, "Hey, you've got a huge poppy seed in your teeth. You might want to get that out of there before you go on your date or on your meeting." In that situation, who is more valuable? It's the one who gave you the quote-on-quote negative feedback. And that's the same approach you would take when it comes to your business online.

Now, one of the reasons that negative feedback's fantastic is that more often than not, you can turn that negative into a positive, meaning you can take that negative comment, and if you solve that person's issue, they're going to become your biggest fan. If you look at FedEx, when they have an issue with a client, or a prospect, and they resolve that issue, that client is three times more likely to repeat, as a customer, than someone that never had an issue in the first place. So think about that: three times

more likely to repeat as a customer than someone that never had an issue in the first place. That's huge.

The other thing about negative comments is that some are worthless because they're what I call trolls; about 10 percent of the Internet and comments are made up of trolls. Over time we'll try to figure out systems to figure out what the troll comments are, but over time, you'll be good at figuring out what is a troll comment. This person's probably not going to use my product, my services, and so you kind of move away from that. Don't waste your time on those.

But the majority of negative comments are actually coming from your customers, and they're taking the time to tell you what you need to do to improve. So take the emotion out of it, and just look at the pieces and go "Okay, that piece is correct." Like for me, okay that's correct, we did have a typo on that page, we should fix that. There shouldn't be any typos in the book. So that's what you can do, as well.

Then last but not least, not all negative comments are bad in the sense that they actually help you get potentially more customers or clients. So for example, let's say that you sell walking tours to Amsterdam. And one person posts a one-star review, and their comment is: "This walking tour is insane. My feet were sore and I was exhausted after a day." Well, guess what? There are a lot of people that look at that, and say "Fantastic! That's the walking tour for me. I go on these walking tours, they don't walk me enough. I'm in fantastic shape. I want to walk as much as possible. This tour is for me." It also keeps those folks out that don't want to walk that much. Then in the future, you'll have less negative comments. So again, that's why I get super excited about negative comments. I think that actually, as a net, they're a good thing, and it gives you the opportunity to turn your haters into your biggest lovers. They'll become your most loyal fans and I've seen it first hand with my readers.

Leigh: Great, that was very informative. Jumping gears a bit, you had mentioned earlier that it's not word of mouth, it's world of mouth. Can you explain to our listeners what you mean by that?

Erik: Yeah, I mean historically, the thing that's so great about today's day and age is that it used to be very hard for say a small business to become global. But now with these tools – mobile, social – it's very easy for that stuff to spread globally. For example, if I'm coming into Austin, Texas from Germany, and I need my hair cut, now I can go on tools like Yelp or Trip Advisor, and figure out where should I get my hair cut. So that's what I mean by all of a sudden your business becomes global, at a very easy and rapid pace, that you're able to do things well, and do them correctly.

The word's going to travel about everything, whether it's getting your hair cut, whether you're trying to find a retail outlet or mall or whatever that might be. Say you need to find a place to go; you need to know what's the best mall to go to when you land in

Nairobi. All of a sudden I go to the local digital feed on that topic and go, “Okay this is the mall I need to go to, these are the stores. Okay, I can walk down there today.”

Leigh: **What new mobile or social trends are you seeing develop that retailers or retail real estate professionals in particular should keep an eye on?**

Erik: You definitely need to keep an eye on a couple things. One, what’s called showrooming. So what showrooming is, is that you go into a store, try something on, check it out, feel it, and then buy it online. There’s tools like Amazon scanner to where if I’m trying on a pair of jeans, and I go into the dressing room because I feel bad about buying it online, I’ll try it on in the dressing room, I’ll scan the tag, the barcode, with my Amazon reader it’ll show me if that’s sold on Amazon and the price, and also the rate and the reviews. I still might buy it in the store, but maybe I won’t because it’s \$20 cheaper, let’s say, online. I’ll go ahead and purchase that online. So it’s important for me to be aware of that trend that’s happening. The knee jerk reaction was for a lot of stores to say “Okay, let’s just kill all Wi-Fi in the store,” or make it hard for the shopper to do that. But really at the end of the day, the good stores understood that, if I was a shopper, what would I be doing? Why are they doing this? How do I change the experience so that if they do come in here, that it’s actually a value-add and they want to come back and they want to purchase it here? So that’s one thing to be aware of.

The other thing to be aware of is just delivery mechanism – different ways things are being delivered. So if you look at Uber, the car service, if you hit a button, it’ll show you all the cars in the area and they can come and pick you up, whether it’s a taxi or a limousine. But also, when you hear about the sharing economy, I can also get picked up by some one that’s just in their car that’s an Uber driver. So a mom that just wants to earn some extra income that’s driving her car can drive me to the airport, it’s a lot less expensive than a taxi, it’s often cleaner, also there’s a rating on that driver, so I know what that person’s name is, their phone in case I leave something in the car. It’s a totally different “disruptive” experience. The reason I bring that up on the retail side is because you shouldn’t think that Uber’s just going to be in the car service. They’re becoming the sharing delivery service mechanism, so what they’re already testing is that Uber drivers can take a good from a retail store and deliver it directly to someone’s home. So again, that’s what retailers need to be aware of, is the sharing economy. It’s how I take advantage possibly of my own customers and set them to deliver something for me.

I know that sounds crazy, but that’s what Walmart’s testing out. Walmart’s testing out if you’re already buying something in Walmart, they might alert you and say, “Hey, there’s a friend of yours that’s a door down from you, who has requested that they get this from Walmart. We’ll pay you 20 percent commission off of the purchase if you deliver it.” And so kind of trying to take that Uber model, because they know Uber is going to be coming into their space, and trying to stop Uber per se, before they get there—not

stop them but understand that that's what the model where people are going to want and then how do I start to use this at my retail location.

Leigh: **Wonderful. Are there any final tips you want to share for retailers, looking to create their digital stamp?**

Erik: Well, like I shared at MOCIAL, don't compete on the same terms as an Amazon, if that's who you view as your competition. Try to figure out the mindset of your customer or your client, whether that's B2B or that's B2C.

On the B2C side, if you're right in the mall and doing a Santa Claus for the November-December timeframe, historically you come and then you have to pay \$10 to have a picture with Santa. You have to rethink that model. You still might have that \$10 opportunity but just like what Walt Disney's learned – they've got their photo paths, where they had the same thing, right? Get a picture with Mickey Mouse and it's \$25 for the professional photography. But they've learned that when families go in there now, they should still have the option to get the \$25 professional photograph, but it's really all about the sharing of that experience. So that photographer will not only allow the dad or the mom to take a picture with their own camera, but they'll even go, "Hey dad and mom, why don't you jump in there, give me your camera and I'll take it." So the short term if you look at that, you might think: Whoa! I'm going to lose that \$25. But the long term is they understand that by being right by their customer and understanding that that's how they want to be treated, now these people have these photos, they share it on Facebook, Instagram, Twitter, Vine, etc. and all of a sudden, the world of Disney continues to spread globally. That's the mindset that we have to understand and think about.

The other thing to understand, too, is as a retailer, how do I make more experiences? And sometimes that might be to change your mindset, and go okay at this shopping mall we're just going to tailor to moms. So now we're going to playscape: we're going to have experiences, we're going to have art painting, finger painting for the kids, because we know these moms have kids and they want their kids to go out and learn and they're always looking for activities. Now we'll make it as part of the mall experience, or the shopping experience, and then hopefully they buy some other stuff while they're there. So that's where you got to start to think about: Where is your competitive advantage, and how do you utilize that? Then, once you do that finger painting activity, make sure it's easy for them to share photos, whether it's on Instagram, whether it's on Facebook, so that everyone else can see, and become aware of those events that are occurring in that neighborhood. That'd be my advice on the B2B side.

If you think about IBM, all they're doing is listening as well as interacting and reacting. At IBM they listen for two words: RFP and what that stands for – Request for Proposal. They listen for when people type those words on Twitter, and as they type them on

blogs, and they're saying, "Hey, I'm doing a request for a proposal, I don't know what I'm doing, I've been assigned this." Then IBM reaches out. They're about value. They listen, interact, react. They go, "Hey, we've actually got templates for Request for Proposals. Here's a free template." Then the person might respond, "Oh this is great! So you guys offer this service as well?" IBM says, "Yeah, we do." The person responds, "Oh you can be part of our RFP, then, our request for proposal." So they've increased their business 400 percent just for that line item, for that vertical, and when they increase it 400 percent, that millions and millions of dollars. So again, they're doing the same thing.

Everything I talk about B2C is directly applicable when it comes to B2B, if not more so because you have less relationships that are deeper relationships, so it's using these tools not to replace face-to-face but to augment it when time and distance are an issue. Understand if you're listening, the RFP example I gave, then there's a world of opportunity for you to garner new business, new clients, and new prospects.

Leigh: **Thank you, that was very helpful. Well thank you for joining us today, Erik.**

Erik: No, thanks a lot, hopefully it works out well for you.

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